

File



DEPARTMENT OF STATE

George E. Pataki
Governor
Randy A. Daniels
Secretary of State

Division of
Coastal Resources
41 State Street
Albany, NY 12231-0001

December 14, 2001

Mr. Thomas S. West
LeBoeuf, Lamb, Greene & MacRae L.L.P.
One Commerce Plaza
99 Washington Avenue, Suite 2020
Albany, NY 12210-2820

Via Regular Mail & Facsimile

Re: Millennium Pipeline F-2001-246

Dear Mr. West:

By exchange of letters dated September 12, 2001, the Department of State (DOS) and Millennium agreed to an extension of the time for the DOS to review the above referenced pipeline project. The DOS letter advised you that "the Department expects to complete its consistency review within 30 to 60 days after receipt of the Final Environmental Impact Statement on the proposed project, barring any significant pipeline routing or other project changes which may have effects upon the coastal zone of New York State."

On October 5, 2001, you had delivered to our agency a copy of the Final Environmental Impact Statement (FEIS) and on that date, the Department recommenced its consistency review of the referenced project, subject to the specific conditions quoted above, regarding project changes. In a letter dated October 11, 2001, the Department notified David Boergers, Secretary of the Federal Energy Regulatory Commission (FERC), that "the Department expects to expeditiously complete its review of the FEIS, and notify FERC...of its consistency decision." In fact, the Department has not completed its review because of project changes recently brought to our attention, "which may have effects upon the coastal zone of New York State." Additional review of this project is thus required.

Shortly after the FEIS was delivered, Millennium, on October 11th, proposed to the U.S. Army Corps of Engineers (discussed below), project changes involving underwater blasting in the eastern-most 400 feet of Haverstraw Bay. Blasting is a project change which may have adverse effects on the sensitive coastal environment. Millennium, however, has yet to notify this agency of this proposal. Moreover, it has neither provided information on the proposed project change nor an evaluation of the effects upon Haverstraw Bay.

It was not until November 27, 2001, by a transmittal from the US Army Corps of Engineers, that DOS first learned of this proposed project change. It was expected that Millennium would provide this information to the Department of State. To date, it has not. Further, by letter of December 11, 2001, the U.S. Army Corps of Engineers advised Richard Hall, Jr. of Millennium of its new information needs. The letter states:

"On October 11, 2001, we received your submittal of the second draft of the Millennium Pipeline Environmental Compliance Management Program for review. In the transmittal sheet forwarding the plan to this office, you confirmed that in order to install the proposed pipeline you would now need to include blasting the eastern-most 400 feet of the Hudson River crossing. In light of this new project information, and because there is no information in the Final Environmental Impact Statement describing blasting in the Hudson River, we are requesting that the following information be provided within 30 days of the date of this letter:

- 1) A complete description of the proposed blasting plan;
- 2) The need for the blasting;
- 3) The locations and results of any borings that were taken which confirm the need for blasting;
- 4) A detailed description of the possible alternatives to blasting;
- 5) A reassessment of water quality impacts that may result from the blasting;
- 6) An assessment of potential impacts to fish and wildlife; and
- 7) The time of year when you proposed to undertake this blasting.

Since this information affects the processing of your application we recommend that you provide a copy of this information to the following review agencies.... Department of State."

DOS requests Millennium to provide the above referenced information to this agency so that we may determine the consistency of this project. Without this information, DOS must find the proposed pipeline project inconsistent for lack of necessary data and information. At the time of its receipt, we will continue our review.

Sincerely,



William F. Barton
Assistant Director

WFB:mab

c: FERC - David Boergers
COE/NY - Richard Tomer
COE/Buffalo - Paul Leuchner
OCRM - John King